



Date: Wednesday, February 28, 1996 Time: 10:52:01 AM 4 Pages

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From: WIN SCHILLER Company: WAM ENTERPRISES

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Comments:

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Wam Enterprises

Memorandum

TO: Larry Schreiber, Brian Stockdale, Bruce Hatter,
Mike Johnson - R.J. Reynolds

FAX: 910-741-4214

FROM: Win Schiller, Wam Enterprises

RE: 1996 WAM/RJR Program

DATE: February 28, 1996

As per my conversation with Mike Johnson on Monday, February 26th, WAM Enterprises elects the 12,000 case 1996 objective on Signature as per settlement agreement No. 6 Option 1. By executing this option, WAM will have the exclusivity of the Signature Brand.

Following is a recap of my conversations with the WAM Distributors:

DISTRIBUTOR	Stocking Signature & April Promotion	Trade Show
*Axton Candy & Tobacco	?	?
Cash-Wa Distributing	yes	April 2 & 3
Chas. M. Sledd Co.	yes	no
City Sales	yes	no
City Wholesale	yes	no
*Cooper-Booth	no	no
Gem State Distributors	yes	March 21
Hagman Corp.	yes	?
Hagman, Inc.	yes	?
Minter-Weisman Company	yes	March 7, 8, 9
Minter-Weisman Quad Cities	yes	March 17 & 18
Mountain Service	yes	May 10 & 11
Peter P. Dennis	yes	no
*Pine State Trading	?	March 29
*Southco Dist.	?	April 25
Wease Dist.	yes	March 29 & 30

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***Axtion Candy & Tobacco** - currently not stocking Signature. I have a meeting with Tracy Axtion in Bay City, MI on March 19th, at which time we will be discussing Signature. This is a tough market because Axtion has a large accrual built up on Private Stock and has to reduce the price of Private Stock in order to use the accrual.

***Cooper-Booth** - Barry Margolis has always been negative on Signature and I don't believe it would be in our best interest to force them to carry Signature when they are not totally committed to the brand.

***Pine State** - I talked to Charlie Canning and Paul Auger and they are to get back in touch with me next Monday regarding Jack's and Signature. My opinion is that they might try to do something with Jack's, but Signature is a long shot. Also, as you know, they shipped Signature to their customers and had to pick it up which further complicates their ability to reintroduce Signature. Because of the way RJR handled the settlement, Charlie Canning wants to do something special to drive RJR's sales.

***Southco** - I talked with Sherwin Herring, he is to let me know this week regarding Signature, but because of their other Forsyth brand, Signature is a long shot. Also, as you know, they shipped Signature to their customers and had to pick it up which further complicates their ability to reintroduce Signature.

Following are some items that we need to accomplish if we are to maximize the 1996 program:

- RJR needs to contact each WAM Distributor that is carrying Signature and attend a sales meeting to make sure that the Sales Representatives totally understand what a Retailer can and cannot do regarding the various Manufacturer's programs.
- RJR needs to contact each WAM Distributor that is having a trade show and make sure that all Signature Displays are set up in the WAM booth, as well as the RJR booth (if participating) and make sure that a hot featured promotion is available to their customers. This promotion would probably be the same as their April promotion.
- RJR needs to contact each WAM Distributor and explain to them the 30 day window which would coincide with their April promotion and Trade Show deliveries.

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- RJR needs to contact each WAM Distributor and re-establish their monthly promotional allocations for the remainder of the year.
- RJR needs to keep WAM informed on a monthly basis on how WAM Distributors are progressing with Signature and the RJR Partners Program. In order to properly evaluate, I need to know where each WAM Distributor started from on your Partners Program.
- ***I feel one of the main reasons this program will be successful is the interaction between the local RJR Rep and their WAM Distributor, especially when it involves Signature and making sure Signature stays competitive in the market place.***
- At our April meeting in Winston-Salem, we need to evaluate the current program and discuss the opportunities for the implementation of a program in 1997 which is based upon the ability to perform.

With all that has happened I feel that we have made the best out of a very negative situation and finally we can start looking to the future and a long term relationship between RJR and WAM. Please give me a call as soon as possible so we can discuss the above.

cc: Jerry Prescott

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